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# What is a general rate application?

A general rate application (GRA) is a request to change electricity rates.

## What will QEC obtain with the approval of a GRA?

The GRA focuses on two phases:

- 1. Revenue needed to meet QEC's operating costs.
- 2. Determining how QEC collects revenue from its customers.

#### Who makes the final decision about electricity rate changes in Nunavut?

An application is submitted to the Minister responsible for Qulliq Energy Corporation (QEC). The Minister responsible for QEC makes the final decision on any changes to electricity rates. The Minister seeks advice from the Utility Rates Review Council (URRC) and the Government of Nunavut's Executive Council.

## Who is the Utility Rates Review Council (URRC)?

The URRC is an independent advisory body that reviews and provides recommendations on QEC's applications for changes to electricity rates.

## Why is QEC proposing changes to the electricity rates?

QEC's revenue needs have changed because of increasing operating costs. The change in electricity rates will cover the corporation's current revenue needs.

QEC's revenue needs are the total cost of providing electrical service to customers (operations and maintenance, salaries and wages, travel, fuel, and electrical infrastructure upgrades and rebuilds).

## What is the current electricity rate structure?

QEC has moved to a territory-wide electricity rate that is a more equitable rate structure for all customers. Under a territory-wide rate, all customers of the same type would pay the same rate regardless of where they live.

Within the territory-wide rate structure there are separate energy rates for government, municipal tax-based and non-government customers. Government



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rates are higher allowing for municipal tax-based and non-governments rate to be lower.

## What is the process for submitting a GRA?

- 1. QEC submits an application to the Minister responsible for QEC to approve changes to the electricity rates.
- 2. The Minister seeks the advice of the URRC regarding QEC's proposed changes.
- 3. The URRC completes the application review and seeks input from the public, then provides recommendations to the Minister responsible for QEC.
- 4. The Minister after seeking advice from Executive Council will provide instructions to QEC.

#### How long does the GRA process take?

The URRC review takes about six months to complete from the date QEC files the GRA. The Minister's decision will be made within 30 days of receiving the URRC's final report.

#### How can the public participate in the URRC review of QEC's GRA?

The URRC will inform the public on how to participate in the URRC review through notices in the Nunavut media.

#### Where can the public find more information on the GRA?

QEC's GRA can be found online at www.qec.nu.ca. Copies can also be made available upon request by contacting QEC's GRA representative, Olabanji Adewumi at <u>oadewumi@gec.nu.ca</u> or 1-867-979-7590.